

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

16-2054.2

HB 1672-FN, *relative to excess federal matching funds, property tax relief, and general fund appropriations.*

House Way & Means Committee

This bill proposes that any excess federal matching funds be transferred to the revenue stabilization reserve account in addition to any surplus determined after the official audit performed pursuant to RSA 21-I:8, II(a). Currently, only surplus is transferred to the revenue stabilization reserve account.

This bill also proposes that any interest earned on the revenue stabilization reserve account remain in the revenue stabilization reserve account. Currently, any interest earned on the revenue stabilization reserve account is transferred to the general fund.

RSA 9:13-e, V currently provides for the transfer of certain excesses in the revenue stabilization reserve account to the general fund surplus account. The bill proposes that instead of the current formula, any excess above \$100,000,000 is to be transferred to a newly created “property tax relief account,” which shall be used by the Department of Revenue Administration (DRA) to provide property tax relief for low-income residents. The proposed legislation does not specify how the DRA is to provide said relief, thus, the DRA cannot measure the potential impact on expenditures of the proposed legislation. Additionally, the DRA cannot predict the likelihood of there being funds in the revenue stabilization account in excess of \$100,000,000.

The bill would require each agency receiving general funds to file an annual report with the Commissioner of Administrative Services identifying each program or activity funded by an appropriation and comparing actual expenditures to amounts budgeted. The DRA believes it can absorb any expense associated with this new reporting requirement within its current budget.

This bill would take effect July 1, 2016.